

MAYOR AND COUNCIL
Independent Audit and Performance Commission
Pension Subcommittee

LEGAL ACTION REPORT

Friday, March 20, 2015
Budget Conference Room, 4th Floor West
City Hall 255 W. Alameda – Tucson, Arizona

Subcommittee Members Present: David Cormier, Subcommittee Chair (Ward 1); Kevin Oberg (Ward 4); Ed Hubert (Ward 6)

Subcommittee Members Absent: None

Staff Members Present: Joyce Garland, Budget and Internal Audit Program Director; Silvia Amparano, Finance Director; Karen Tenace, Deputy Finance Director; Silvia Navarro, Finance Treasury Administrator; Mike Hermanson, Finance Pension Manager; Bob Kulze, Interim Internal Audit Manager (Ex-Officio, Non-voting Member); Diane Link, Administrative Assistant

Roll Call - 2:01 P.M. A quorum was established.

1. Approval of the February 25, 2015 Pension Subcommittee Minutes

It was moved by Mr. Hubert, duly seconded and carried by a voice vote of 3 to 0, to approve the minutes.

2. Summary of Action Taken at March IAPC Meeting and Subcommittee Next Steps

Mr. Cormier summarized the actions taken at the March 4, 2015 IAPC meeting related to the draft report. There was discussion. Ms. Amparano and Ms. Tenace fielded and answered questions. Next steps were briefly discussed. No action was taken.

3. Discussion of the Draft Report Findings

The subcommittee reviewed staff's responses to the subcommittee's draft report that was presented to the IAPC at its March 4, 2015 meeting. There was discussion. Ms. Amparano and Ms. Tenace fielded and answered questions. The following actions were taken:

- a. Finding #1: Mr. Hubert moved, duly seconded and carried by a voice vote of 2 to 1, to leave the finding as it currently reads.
- b. Finding #2: Mr. Hubert moved, duly seconded and carried by a voice vote of 3 to 0, to change the report UAL from \$305.8 million to \$356.4 million.
- c. Finding #3: Mr. Oberg moved, duly seconded and carried by a voice vote of 3 to 0, to change the report references from "Mayor and Council" to read "IAPC subcommittee."
- d. Finding #4: Mr. Hubert moved, duly seconded and carried by a voice vote of 3 to 0, to change the third sentence to read that the actuary had recommended the 10-year amortization of the UAL.

- e. Scope: Mr. Hubert moved, duly seconded and carried by a voice vote of 3 to 0, to add a section to the report identifying the original scope and including a disclaimer of the items the subcommittee did not consider for this report.

4. Discuss Future Agendas

No action was taken.

Adjournment – 2:55 P.M.